

EDIT
C

CONFIDENTIAL
~~SECRET~~

COPY NO. 54
OCI NO. 1114/59

5 March 1959

CURRENT INTELLIGENCE WEEKLY SUMMARY



DOCUMENT NO. 9
NO CHANGE IN CLASS. ☐
☐ DECLASSIFIED
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: 1981
AUTH: 15 Aug 79
DATE 15 Aug 79 REVIEWER

25X1

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

CONFIDENTIAL
~~SECRET~~

25X1

25X1

21-728516

THIS MATERIAL CONTAINS INFORMATION AFFECT-
ING THE NATIONAL DEFENSE OF THE UNITED STATES
WITHIN THE MEANING OF THE ESPIONAGE LAWS,
TITLE 18, USC, SECTIONS 793 AND 794, THE TRANSMIS-
SION OR REVELATION OF WHICH IN ANY MANNER TO
AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

The Current Intelligence Weekly Summary has been prepared
primarily for the internal use of the Central Intelligence
Agency. It does not represent a complete coverage of all
current situations. Comments and conclusions represent
the immediate appraisal of the Office of Current Intelligence.

~~SECRET~~
CONFIDENTIAL**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

T H E W E E K I N B R I E F**PART I****OF IMMEDIATE INTEREST****EAST-WEST NEGOTIATIONS Page 1**

Soviet leaders in talks with Prime Minister Macmillan, public speeches, and new notes to the Western powers carried forward their drive to bring the West to a summit meeting or, failing that, to demonstrate that the West has rebuffed Soviet efforts to arrange a peaceful settlement of the Berlin and German problems. Bloc pronouncements again warned that any Western resort to force over Berlin would spark a war, while Moscow reiterated its desire for negotiations to avert war. Soviet leaders apparently intend deliberately to build up tension in the belief that this will force the West to agree to summit talks or to make concessions which would erode its position on Berlin and German reunification. [REDACTED]

25X1

USSR PREPARES TO VACATE EAST BERLIN Page 3

Soviet preparations to withdraw military and civilian organizations from East Berlin have reached such an advanced stage that the city could be virtually emptied of Soviet personnel on short notice. Construction deadlines for new buildings such as barracks and offices outside East Berlin to which the Russians plan to move remain set for 25 May. [REDACTED]

25X1

DISORDERS IN TROPICAL AFRICA Page 5

The rioting which has broken out recently in several widely scattered areas of tropical Africa is symptomatic of increasing unrest and nationalist activity. Nationalist extremism in Nyasaland has led Britain to adopt suppressive measures, and the rioting will add to the difficulties in the constitutional discussions in 1960 between Rhodesian and British officials. Pre-election riots in Somalia cast growing doubts on the trust territory's ability to govern itself after 1960, while the savage violence in the autonomous French Republic of the Congo shows that tribalism is still a potent force in the area despite rapid political evolution. [REDACTED]

25X1

MIDDLE EAST DEVELOPMENTS Page 7

Elements of the Sudanese Army are forcing changes in the composition of the military regime in Khartoum, although General Abboud still heads the government. An abortive coup attempt on 2 March has been followed by the resignation of the Supreme Army Council.

~~SECRET~~
CONFIDENTIAL

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

PART I (continued)

Iraqi Prime Minister Qasim has publicly replied to UAR propaganda attacks on his government and has sought to put Nasir on the defensive, especially in regard to Arab support for the Algerian rebels. The Iraqi Communists continue to dominate political activity in Baghdad; reports of coup plotting have multiplied.

King Husayn leaves Jordan on 8 March for his trip to the United States via the Far East.

Iran is becoming more sensitive to Soviet propaganda attacks and may raise the issue in the United Nations.

25X1

[REDACTED]

PART II

NOTES AND COMMENTS

MACMILLAN'S VISIT TO THE USSR Page 1

Prime Minister Macmillan and his delegation believe that during their ten-day visit to the USSR they impressed Khrushchev with British firmness on maintaining access to West Berlin. The British press, including pro-Labor papers, considers the trip useful and believes that it has increased the chances for a negotiated solution of the Berlin problem. Macmillan is planning visits to Paris, Bonn, and Washington beginning 9 March.

25X1

[REDACTED]

NUCLEAR TEST TALKS Page 1

With regard to the Geneva negotiations, the communiqué issued on 3 March at the conclusion of the Khrushchev-Macmillan talks made only a noncommittal statement that both countries recognize the "great importance" of achieving agreement. In a speech on 2 March, however, Khrushchev tried to create the impression that there had been substantial progress in his discussions with Macmillan. At Geneva the Soviet delegation continues to develop a record of appearing "reasonable" in its approach to the negotiations, while rejecting Western proposals for an effective control system.

25X1

ITALIAN COMMUNISTS MAY BE MOVING TO EXPLOIT BERLIN ISSUE . Page 3

The Italian Communist party may be preparing a vigorous propaganda campaign to undermine Italian support for a strong Western stand on Berlin.

25X1

25X1

[REDACTED]

25X1

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

PART II (continued)

25X6



BRITISH DEFENSE POLICY Page 5

The Macmillan government, while continuing to develop Britain's independent nuclear capability, is devoting increased attention to strengthening conventional military forces under the five-year defense program ending in 1962. The present army manpower ceiling of 351,000 is still to be reduced by 1962, but to 180,000 instead of the previously planned 165,000, as a result of increased enlistments. Conscription is expected to end next year, as planned.

25X1

MUNICIPAL ELECTIONS IN FRANCE AND ALGERIA Page 5

Local elections scheduled for 8 and 15 March in France will provide the first firm indication of public reaction to the program of President de Gaulle and Premier Debré. Similar elections in Algeria, to be held in April under a new decree guaranteeing Moslems a majority of seats, will be a major effort by Paris to win Moslem mass support away from the rebels. Municipal councilors form the bulk of the electoral college, which will choose the members of the Senate in April.

25X1

MOROCCO Page 6

The Moroccan King now may abandon his past ostensible aloofness from party politics and attempt to exert a more direct influence on local affairs. He was given a triumphal reception when he returned to Rabat after a 12-day "sentimental pilgrimage" to Corsica and Madagascar. The outcome of factional struggles in Morocco's ruling Istiqlal party is still uncertain, but tribal disorders appear to have subsided.

25X1

GUINEA EXPANDING SOVIET BLOC TIES Page 7

Newly independent Guinea appears to be responding to the Soviet bloc's campaign to establish diplomatic, economic, and cultural ties with the states of West Africa.

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

President Sekou Touré's government recently signed a trade and payments agreement with a visiting Soviet delegation and is concluding new arrangements with most of the Eastern European satellites. [REDACTED]

25X1

PREVIEW OF POLISH PARTY CONGRESS Page 8

Polish party First Secretary Gomulka will probably use the third party congress, which opens in Warsaw on 10 March, to demonstrate that he is stronger than at any time since his return to power in October 1956. The congress is expected to ratify Gomulka's program and elect a central committee composed largely of his adherents. The congress will probably concentrate on economic and cultural matters.

25X1

ARABS REACT TO CONTINUING JEWISH EMIGRATION FROM RUMANIA . Page 8

The exodus of Jews from Rumania to Israel was continuing in late February despite denials by the Rumanian Government and the Soviet press that "large-scale" emigration had occurred or would be tolerated. The Arab press has called the Rumanian and Soviet denials unsatisfactory. The exodus is the main item on the agenda of the Arab League Council meetings which began in Cairo on 2 March.

25X1

PEIPING MODIFIES "GIANT LEAP" PROGRAM Page 9

Although Peiping has not retracted any of last year's extravagant output claims or modified the highly ambitious goals for 1959, it is making changes in its "giant leap" programs. Instead of slogans that China "can do anything," Peiping now argues the need to concentrate manpower, materials, and money on the most urgent construction projects and the most important production targets. The small-scale industry program will continue, but greater emphasis is being placed on efficiency and quality. [REDACTED]

25X1

CAMBODIA Page 10

The over-all free world position in Cambodia has suffered considerably as a result of the abortive plotting against the Sihanouk regime by General Dap Chhuon, who is reported to have been killed by pursuing government troops on 3 March. [REDACTED]

25X1

25X1

SITUATION IN LAOS Page 11

Laotian Prime Minister Phoui's alignment with old-guard politicians against young reform leaders is seriously impeding the government's reform programs and could

SECRET

iv

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

PART II (continued)

eventually result in Phoui's resignation. Laos has requested additional French training personnel, and this may have allayed Paris' fears that the United States is attempting to undermine its position in the country.

[REDACTED]

BURMA Page 12

The Burmese Parliament has extended to Prime Minister General Ne Win and his military colleagues another full year of direct control over the government. The regime is riding the crest of a popularity wave, but public disillusionment may set in when it attempts to cope with some of Burma's more fundamental problems.

[REDACTED]

25X1

ANTI-AMERICAN RIOTING IN BOLIVIA Page 12

Anti-American rioting in Bolivia reflects basic tensions arising from growing nationalism and an acute financial crisis. Bolivian-US relations, good in recent years, have deteriorated over the past six months in part because of disagreement over implementation of the US-backed stabilization program and in part because of a Communist-inspired campaign to persuade Bolivians that the United States wants to destroy their national oil company.

[REDACTED]

25X1

PRESIDENT LEMUS OF EL SALVADOR Page 13

Salvadoran President José Maria Lemus, who is scheduled to arrive in Washington on 10 March, has headed a stable, moderately progressive, and cautiously democratic government since his inauguration in September 1956 for a six-year term.

[REDACTED]

25X1

THE SITUATION IN HAITI Page 14

The continuing serious deterioration of economic and political conditions in Haiti, even with the \$6,000,000 US loan announced in late February, has placed the Duvalier regime in a position as weak as any since it assumed power in October 1957. There has been a notable increase in activity by exiled political leaders, but Duvalier has demonstrated a remarkable ability to survive under adverse circumstances, principally by maneuvering his secret police

SECRET

v

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

PART II (continued)

25X1 into a position of dominance over the politically unreliable armed forces. [REDACTED]

PART III

PATTERNS AND PERSPECTIVES



25X1 THE SITUATION IN SINGAPORE Page 4

25X1 The Communist-infiltrated People's Action party (PAP) has begun a campaign to gain control of the Singapore government following general elections now planned for 30 May. While the party apparently is not Communist-controlled at this time, leftist extremists are entrenched in its branch organizations, and Communist prospects for taking over the leadership of the party will be enhanced if PAP forms the next Singapore government. The constitution which creates a partially self-governing State of Singapore will become effective on 1 June if elections are held as planned. Regardless of the election outcome, Singapore appears to have only a slender chance of becoming an economically viable and politically stable area.

25X1 YUGOSLAVIA'S INTERNATIONAL POSITION Page 7

Yugoslavia's international position continues in large part to be a reflection of Tito's adamant insistence that Belgrade pursue its own "road to socialism." Belgrade's relations with the rest of the Communist world have steadily deteriorated since the Moscow 12-nation declaration of November 1957. The Yugoslav party has been read out of the "Communist camp," and the ideological dispute has made state relations progressively more strained. Tito's popularity among uncommitted states, reflected in

SECRET

v1

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

PART III (continued)

the success of his current tour, is probably at its highest since he was expelled from the Cominform in 1948. Although the Yugoslavs are not actively supporting Western policies, sympathy for the West's position apparently is increasing. [REDACTED]

SOVIET BIOLOGICAL WARFARE DEVELOPMENTS Page 11

The USSR continues an intensive research and development program in an effort to attain an offensive capability in biological warfare. The research program has met with certain successes, and the USSR now has a limited offensive capability. [REDACTED]

[REDACTED]

[REDACTED]

~~SECRET~~

vii

~~CONFIDENTIAL~~

Approved For Release 2005/03/15 : CIA-RDP79-00927A002100090001-1

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

PART I

OF IMMEDIATE INTEREST

EAST-WEST NEGOTIATIONS

Soviet leaders, in talks with Prime Minister Macmillan, public speeches, and new notes to the Western powers, carried forward their drive to bring the West to a summit meeting or, failing that, to demonstrate that the West has rebuffed Soviet efforts to arrange a peaceful settlement of the Berlin and German problems. The bloc again warned that any Western resort to force over Berlin would spark a war, while Moscow reiterated its desire for negotiations to avert war.

Soviet leaders apparently intend deliberately to build up tension in the belief that this will force the West to agree to summit talks or to make concessions which would erode its position on Berlin and German reunification. In his speech in Leipzig on 4 March, Khrushchev struck a defiant attitude and reaffirmed the USSR's intention to sign a separate peace treaty with East Germany if the West rejects Moscow's terms for a treaty with both German states. The Soviet notes of 2 March denounced alleged Western threats to use force and warned that the West would bear the responsibility for "unleashing a new war."

The commander of the Soviet forces in East Germany, General Zakharov, and East German Defense Minister Willi Stoph issued warnings that any violation of East German frontiers would mean war. Peiping's Defense Minister Peng Te-huai warned that Communist China would give East Germany "all-out support" in repulsing any attack.

On the "peaceful" side of Soviet policy, Khrushchev stated in Leipzig on 5 March that the USSR would be willing to postpone the 27 May deadline on Berlin until 27 June or even 27 July if fruitful East-West negotiations are under way. This was a restatement of Mikoyan's remark on 24 January, on his return to Moscow from his visit to the United States, in which he implied that the deadline could be extended for as much as two or three months if Moscow believes the West is negotiating "with the object of ending the occupation regime in West Berlin."

Moscow also followed up Khrushchev's 24 February call for a heads-of-government conference with notes on 2 March formally proposing a summit meeting in April in Vienna or Geneva. The notes contended that a summit meeting "could consider a wider range of questions" than the four-power foreign ministers' conference proposed by the West. They asserted the Soviet Government believes "at the present time there is the greatest chance ever for a meeting at the highest level to succeed." After the heads of government have reached agreement on major issues, they could instruct their foreign ministers to work out the details in a subsequent meeting.

The notes proposed that summit talks should include, in addition to the big four, such "interested countries" as Poland and Czechoslovakia, asserted that the two German states should be

~~CONFIDENTIAL~~

~~SECRET~~

Approved For Release 2005/03/15 : CIA-RDP79-00927A002100090001-1

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

"represented" in discussions of a German treaty and the status of West Berlin, and sought to give the impression of flexibility on the scope and composition of such talks.

Although the notes reiterated Soviet doubts that a foreign ministers' conference could reach agreement, they stated that if the Western powers "are not yet prepared" to take part in a summit meeting, the USSR would agree to a six-power foreign ministers' conference provided the agenda is limited to a German peace treaty and the status of West Berlin. While these terms appear designed to be unacceptable to the West, the Soviet leaders apparently felt the need to make an ostensible concession to Western views as a further sign of their desire for negotiations.

These notes, delivered only six days after Khrushchev's speech of 24 February strongly attacking the Western proposal for a four-power foreign ministers' conference, probably were intended to appear responsive to President Eisenhower's press conference remarks on 25 February regarding the need for careful preparation before holding a summit meeting.

Izvestia on 1 March stated bluntly that Moscow will settle for nothing less than a summit conference and scoffed at President Eisenhower's statement about the adverse effect on world opinion of a summit failure.

Soviet diplomats have privately stressed the need for summit talks. The counselor of the Soviet Embassy in Paris told an American official on 26 February that Khrushchev would be willing to make unexpected concessions at a summit meeting to show his desire to avoid armed conflict.

Macmillan Visit

While Khrushchev apparently did not formally raise the subject of a summit meeting in his talks with the British leaders, he suggested that such a meeting could reach agreement on a "system of security of advantage to both sides." Khrushchev's remarks did not disclose any change in Soviet policy on Berlin, Germany, or other major issues. He expressed distrust of Western proposals for East-West negotiations as combining too many questions designed to draw the USSR into long and inconclusive negotiations. He insisted that negotiations must be based on the USSR's proposals on Berlin and a German treaty, and he chose to interpret as a threat Macmillan's statement that Britain and its allies would uphold their rights in Berlin.

Khrushchev reiterated the USSR's intention to transfer Berlin access controls to the East Germans and sign a separate peace treaty. He warned that the USSR would regard "any subsequent violations of the German Democratic Republic as an act of war."

The Soviet leaders probably believe that the net result of

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

Macmillan's visit will be to increase momentum toward summit talks. They probably will try to construe the reference in the communiqué to the "need for early negotiations between the interested governments" on Berlin and Germany as an endorsement of Soviet proposals. Moscow probably will also seek to use Britain's consent to study measures to limit forces and weapons in an "agreed area of Europe" as official British support of various disengagement schemes such as the Rapacki Plan.

Western Reaction

The French Foreign Ministry considers the 2 March Soviet note "menacing and unsatisfactory." The foreign minister considers the Soviet-proposed agenda "completely unacceptable" for either a foreign ministers' or a summit meeting. He is not disposed to insist that a foreign ministers' conference should show there is

a "reasonable chance of success" for a summit conference, apparently feeling this stipulation would be unrealistic. Nor is he inclined to object to Czech and Polish participation if other points are resolved.

Following initial Western press reaction of relief at the USSR's conditioned acceptance of a foreign ministers' conference as indicating a relaxation of tensions, more critical comment appeared on Moscow's insistence on a fixed agenda. Progovernment papers in Bonn quoted government circles as seeing only minor changes in the Soviet position and predicted a new dispute over the agenda. However, some Western papers doubted that public opinion would support a rejection of a foreign ministers' conference for this reason. Participation of Poland and Czechoslovakia was not seen as a major stumbling bloc.

25X1

USSR PREPARES TO VACATE EAST BERLIN

Soviet preparations to withdraw military and civilian organizations from East Berlin have reached an advanced stage. There are extensive packing ac-

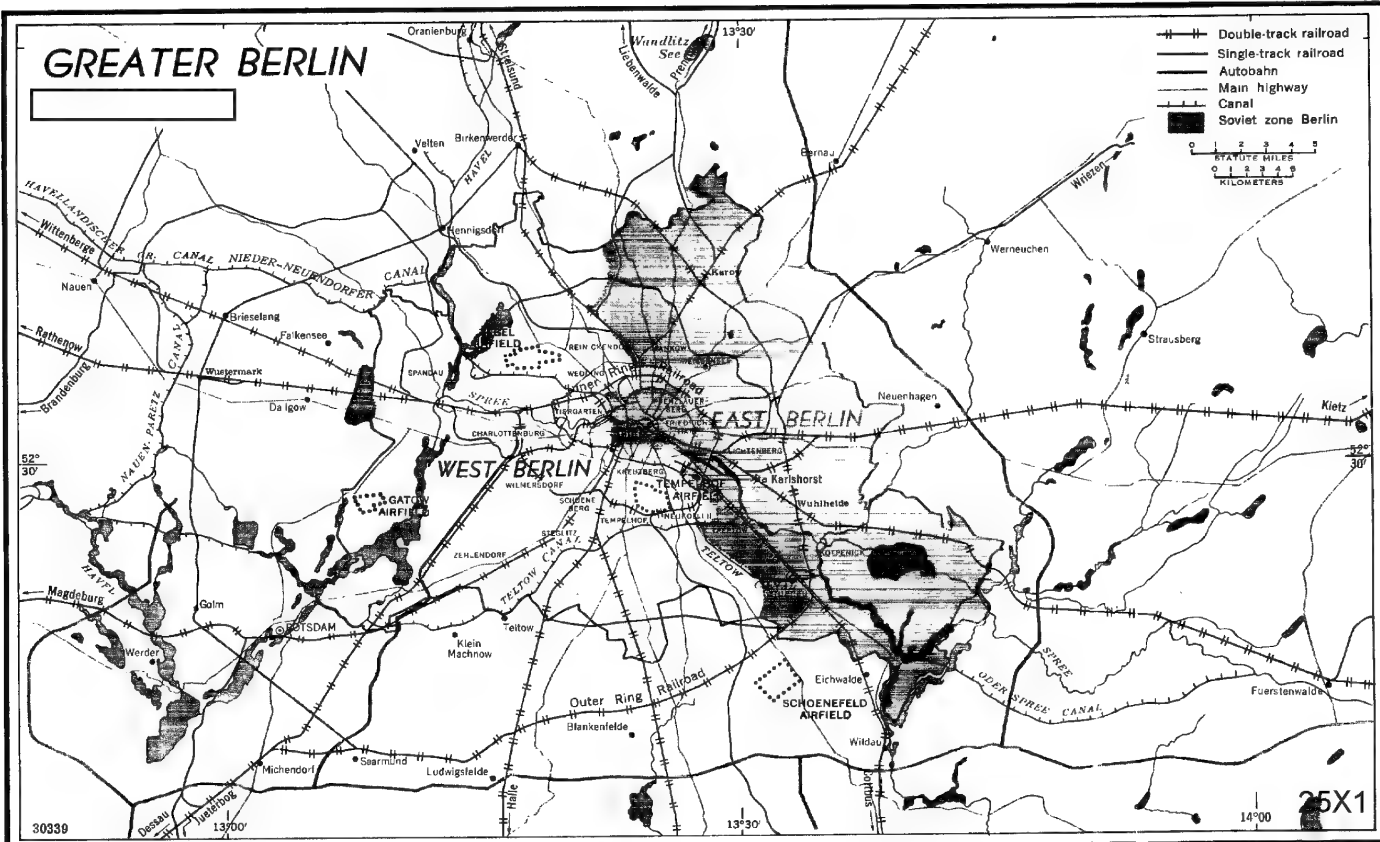
tivities in the compound at Karlshorst, and a new headquarters is being built between Bernau and Wandlitz See, a few miles north of Berlin.

The preparations

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****5 March 1959**

25X1



25X1

are being made to close the school, trade mission, and other installations.

The advanced preparations indicate that the Russians could be ready in a very short time to evacuate virtually all their personnel from the city. Construction deadlines for new buildings outside East Berlin, to which the Russians plan to move, such as barracks and offices, remain set at around 25 May.

Soviet officials will be able to continue close observance of East German activities.

If control over East Berlin is transferred to East Germany,

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

the sector border between East and West Berlin will for all practical purposes become an international frontier, and Allied access rights to the entire city, spelled out in a quadripartite agreement, will be retained only through East German sufferance. East Germany would probably assume ac-

cess controls at the same time, leaving West Berlin subject to being cut off completely. Refugees would find it more difficult to go to West Berlin, and, if the already stringent security controls were tightened further, the refugee flight through the city would for all practical purposes be stopped. 25X1

DISORDERS IN TROPICAL AFRICA

The rioting which has broken out recently in several widely scattered areas of Tropical Africa is symptomatic of increasing African unrest.

Republic of the Congo

In February, riots centered at Brazzaville, the capital of the autonomous French Republic of the Congo, resulted in heavy property damage and the deaths of about 120 Africans, although there were no incidents involving Europeans. The disorders arose from a clash between rival tribal groups supporting competing political parties.

Aside from their wanton destruction, the riots may have two long-range effects. The savagery shown by the Africans, despite the rapid political evolution in the territories of French Africa, may strengthen Paris circles which feel political concessions in Africa have been made too fast. In addition, the coming to power in Brazzaville of the ambitious nationalist Abbé Youlou Fulbert, who has a growing appeal to fellow Bakongo tribesmen in the Leopoldville area, may result in increased nationalist unrest in the Belgian Congo and encourage Bakongo agitation for

revival of the former Kingdom of the Congo.

Somalia

In the Italian trust territory of Somalia, police on 25 February battled rioting members of the Cairo-supported opposition Greater Somalia League (GSL) who were attempting to prevent the holding of elections between 4 and 8 March for a new 90-seat legislative assembly. The Italian administrator now believes that the Somali police can control further expected disorders.

The new assembly being elected will draft Somalia's constitution, select its form of government, and guide the new state after its scheduled independence in 1960. The governing Somali Youth League has employed questionable electoral methods to win 55 uncontested seats in the assembly and, since the disorders, has induced the administration to institute a dusk-to-dawn curfew, to arrest up to 300 members of the opposition, including all leaders, and to ban the GSL throughout the country.

Rhodesia and Nyasaland

The government of the British protectorate of Nyasaland

SECRET

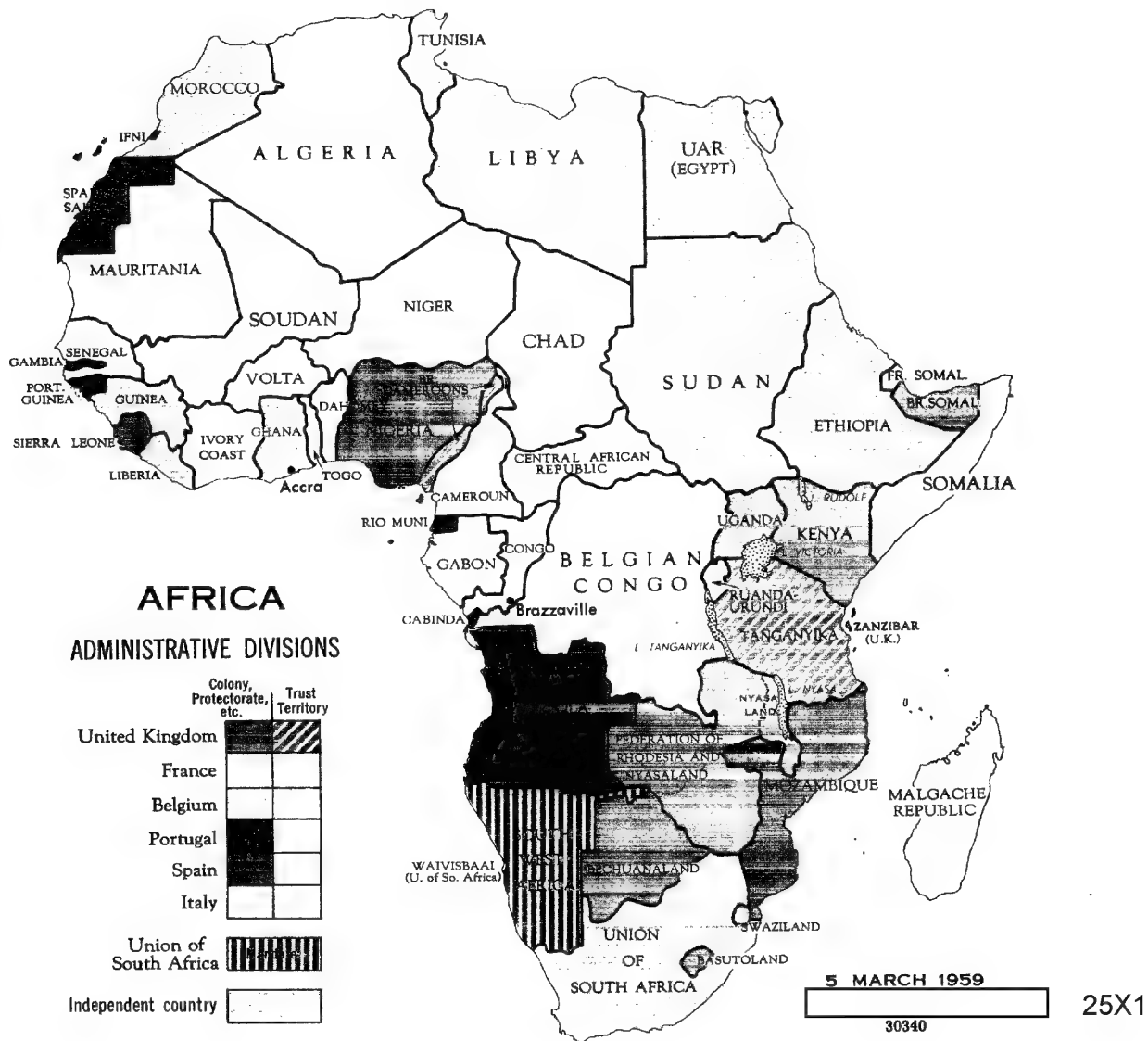
SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

took repressive action on 3 March against the African nationalists who have been provoking disorders since January. The governor, apparently yielding to pressure from the white settler dominated governments of Southern Rhodesia and the Federation of Rhodesia and Nyasaland, proclaimed a state of emergency, banned African na-

tionalist parties, arrested prominent nationalists, and deported extremist leader Dr. Hastings Banda to Southern Rhodesia.

Banda's deportation is likely to make a martyr of him and will increase the influence of African extremists throughout the federation. At the same time, continued disorders tend to

**SECRET**

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

harden the racial attitudes of European settlers. Banda's deportation may lead to a campaign of civil disobedience and isolated attacks on Europeans to get arms and ammunition.

The Nyasaland governor admits that police action cannot control the people, among whom Banda has strong support, and believes that constitutional reform is needed to increase African participation in the government. In February, however, a British Colonial Office effort to arrange talks on reforms was postponed when Banda refused to cooperate.

Banda's campaign for Nyasaland's secession from the federation has attracted a sympathetic response from the British Labor party. Labor criticism of present British policy will increase as a result of the Rhodesian Government's rough treatment of Labor MP Stonehouse, who was forcibly deported from the federation while touring the area under African nationalist sponsorship. Increased attention is being given in London to the problem of Britain's relations with its African dependencies, but the Colonial Office is believed to have no specific program at this time.

25X1

MIDDLE EAST DEVELOPMENTS**Sudan**

Disgruntled Sudanese troop commanders have taken military control of the Khartoum area and forced the resignation of the Supreme Military Council, the highest organ of government. Premier Abboud, having called an emergency meeting of the military commanders for 5 March, is attempting to reconstitute the military government in a manner which will satisfy the army dissidents.

Growing dissension within the Supreme Council and increasing dissatisfaction of troop commanders came to a head in a coup attempt on the morning of 2 March. Brigadier General Abd al-Rahman Shannan, commander of the Northern Command, and Brigadier General Muhyi al-Din Ahmad

Abdullah, commander of the Eastern Command, taking advantage of a scheduled troop rotation which brought units under their control into the Khartoum-Omdurman area, arrested Abboud's deputy, Major General Wahab, and three of his colleagues. Those arrested appear to have been members of the Ansar religious sect and to have been friendly with pro-Western former Prime Minister Abdullah Khalil. The dissidents demanded that the arrested officers be replaced on the Supreme Council.

A meeting of the council was called to discuss the issue, and, although almost evenly divided over acceding to the dissident demands, it finally decided to order the dissidents back to duty. Most of the council, including Abboud, opposed disciplining

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

the dissidents; this stand disturbed Khalil and the Ansar leader, Sayyid Abd al-Rahman al-Mahdi.

The two dissident commanders, disregarding the orders of the Supreme Council, returned to Khartoum on the morning of 4 March. Their troops surrounded army headquarters and the Ministry of Defense and occupied strategic positions in Omdurman and Khartoum North. Another meeting of the Supreme Council was held that afternoon, following which Abboud announced that all the council members had resigned. They are reported to have given Abboud a vote of confidence to form a new council, whereupon Abboud moved the general meeting of all army commanders up to 5 March.

Several motivations appear to be behind the dissidents' action. Most important, they resented the appointment to the Supreme Council of officers who were junior to them and had different religious and political affiliations. They apparently felt that it was the influence of Wahab supported by these officers which resulted in ineffective and overly pro-Western government policies. Brigadier General Abdullah is reported to advocate pro-Egyptian policies.

It is not clear at this time, however, to what extent the other regional commanders will support the attitudes of Abdullah and Shannan. Premier

Abboud will also be subject to strong pressures from the leaders of the two main religious sects, as well as from political leaders, some of whom are receiving subsidies from the UAR ambassador. Any new military government which Abboud may succeed in forming will probably still contain elements of dissension, exploitable both by the UAR and by internal religious and political factions.

Iraq

Iraqi Prime Minister Qasim this week replied publicly for the first time to the UAR propaganda attacks against his regime. Without mentioning Nasir of the UAR by name, Qasim in effect charged that Nasir has failed to give full support to the Algerian rebels; has refused generally to cooperate in the development of common Arab foreign, military, and economic policies; and has bribed "mercenary newspapers" to attack the Qasim regime. Echoing recent Communist propaganda lines, Qasim also contrasted the "dictatorship" by an "individual" in the UAR with the rule of "the people" in Baghdad. He promised that new "revolutionary" developments would occur in Iraq within a month.

The reason for Qasim's choice of this particular time to join issue with Nasir openly is not clear, unless he feels that the recent gradual slackening of the UAR propaganda campaign indicates he has Nasir on the run.

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

The Iraqi Communists also remain aggressive. Colonel Mahdawi, the notorious pro-Communist who heads the military court conducting the Baghdad "treason" trials, is reported scheduled for appointment as minister of interior. The incumbent is a relatively neutral figure who is believed opposed to the leftist tendencies of the regime. Mahdawi was reported to have sought the post at the time of the cabinet shift in early February; his appointment would be the strongest indication thus far that Qasim is under Communist control.

A Communist newspaper in Baghdad last week called for a purge of government officials in Mosul Province, a stronghold of pro-UAR sentiment where the Communists have come off second best in recent rioting. The paper called on the government to protect "honest nationalists" in Mosul from "misguided" persons influenced by foreign intelligence agents, and urged that the suspicious Syrian contacts maintained by "feudalist" elements in the Mosul area be investigated.

The Popular Resistance Force (PRF), which still appears to be under Communist control despite Qasim's decree of last January subordinating

it to the army, is expanding its operations. New recruits are being called for, and new training for the PRF is to begin in Baghdad on 13 March and in Mosul and Basra on 7 March. The PRF presumably is intended as the Communists' paramilitary arm in case of serious civil strife; it was used by the Communists on past occasions as a kind of anti-imperialist vigilante group usurping police functions. It is not known to have yet received any general issue of arms.

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

Soviet-Iranian Treaty of 1921, which they claim are "null and void, obsolete, and not binding" because conditions existing when they were written no longer prevail. These articles pertained to the authorization for Soviet troops to move into Iran to thwart any counterrevolutionary activities by Tsarist elements who escaped there. The

Iranian foreign minister has also made public a draft Soviet protocol of 1925 acknowledging that Article VI of the 1921 treaty was annulled "due to changed conditions." No formal denunciation of the treaty, or any of its articles, is intended at this time, lest the Soviet Union denounce the entire treaty of friendship.

25X1

* * *

SECRET

~~CONFIDENTIAL~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

PART II

NOTES AND COMMENTS

MACMILLAN'S VISIT TO THE USSR

Prime Minister Macmillan in his ten-day visit to the Soviet Union evidently stressed Britain's firm attachment to the Western alliance and the dangers in any unilateral Soviet action regarding Berlin.

Members of the British delegation noted Moscow's obsessive sense of insecurity and fear of Western encirclement. Khrushchev is said to distrust the West's proposals on Germany and Berlin, believing they lump together too many issues and are designed primarily to draw the USSR into long, inconclusive discussions.

While admitting that the two sides were far apart on the Berlin situation, Macmillan indicated in his statement to the House of Commons on 4 March that he regarded the latest Soviet note agreeing to a foreign ministers' conference as acknowledgment by the USSR that the issue must be settled by negotiation. His replies to parliamentary questions confirmed that he is interested in exploring the possibilities of a partial troop withdrawal in Central Europe.

On disarmament, Macmillan told Parliament that some "tentative ideas" emerged on such matters as control of nuclear

tests. The British apparently believe that meaningful negotiations on any subject can be conducted only at a heads-of-government meeting.

Macmillan will elaborate on his impressions and may offer proposals for future Western action in his visits to Paris on 9-10 March, to Bonn on 12-13 March, and later to Washington.

The British press, including pro-Labor papers, considers the Macmillan trip useful and believes that it has increased the chances for a negotiated solution of the Berlin problem. Sharp pressures for a summit meeting before the Soviet note of 2 March indicate that the press in future weeks may become increasingly impatient with any haggling over terms for a foreign ministers' meeting.

In any event, there is an increasing tendency to view Macmillan as the logical leader for the Western camp in future negotiations with the USSR--an attitude he has cultivated. While thus strengthened, Macmillan must continue to work with an ear to domestic political pressures in view of the close balance between the political parties and the necessity to call a general election within the next 14 months.

25X1

NUCLEAR TEST TALKS

With regard to the Geneva negotiations, the communiqué issued on 3 March at the conclusion of the Khrushchev-Mac-

millan talks made only a non-committal statement that both countries recognize the "great importance" of achieving

~~CONFIDENTIAL~~
~~SECRET~~

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

agreement, toward which they will continue their efforts. In a speech on 2 March, however, Khrushchev tried to create the impression that there had been substantial progress in the discussions with Macmillan, singling out nuclear-test cessation as one of the issues on which "the British guests showed a proper understanding of our position, and on their part advanced a number of interesting points."

At Geneva the Soviet delegation continues to develop a record of appearing "reasonable," while rejecting Western proposals for an effective control system. On 2 March, while calling it a "hesitant step" in the right direction, the Soviet chief delegate rejected the Anglo-American suggestion that the proposed control commission be composed of three Western, two Soviet bloc, and two neutral states. He charged that under this scheme the two neutrals could agree between themselves to divide their votes, thus giving the West an automatic majority.

Ignoring continuing Western criticism of Soviet insistence on a comprehensive veto in the control commission, the Soviet delegate on 3 March contended that Anglo-American agreement to apply the "unanimity rule" to a number of decisions suggests that the West will ultimately agree to Moscow's position on voting on all issues. He claimed that disagreement on this question was no longer a question of "principle" but was rather one of "degree." Moscow probably believes that creating an impression of even partial agreement on this issue will weaken the Anglo-American

charge that continued Soviet insistence on the veto makes development of an effective control system impossible.

On 3 March the Soviet delegation suggested that the conference drop further discussion on such "details" of the control system as permanency of inspection groups, time schedules, and phases of inspection, about which, in the absence of actual experience, it is impossible for one side to convince the other of the value of its viewpoint. The delegates suggested that the conference concentrate instead on agreeing to "general principles," leaving the details to the control commission to develop after the organization is established and operating.

At the United Nations, Secretary General Hammarskjold has suggested that one way out of the impasse on voting procedure is to place the problem in a larger context in which each side could find balancing elements. He mentioned the possibility of allowing the veto at strictly defined stages of control operation, with the treaty providing an escape clause for the other side.

He pointed out that if one side vetoed a key action or finding of the control system, the other side would then be free to take some counteraction such as suspending inspection in its territory, conducting nuclear tests, or even withdrawing from the treaty. He thought there could be a provision for a second vote within 24 hours after a veto as a kind of right to demand reconsideration.

Hammarskjold believes all other issues, including

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

nationality of inspection teams, are susceptible to solution through compromise. He personally favored a nine-nation control commission with three

members each from the West, the Communist bloc, and the "neutrals." [redacted] (Con-
curred in by OSI)

25X1

ITALIAN COMMUNISTS MAY BE MOVING TO EXPLOIT BERLIN ISSUE

The Italian Communist party (PCI) may be preparing a vigorous propaganda campaign to undermine Italian support for a strong Western stand on Berlin. The party is not likely, to win heavy public backing, however, [redacted]

[redacted] Khrushchev urged the delegation to keep the Italian party alert and ready to cope with any crisis so as not to be caught unprepared, as the French Communists were when De Gaulle took over.

25X1

25X1

The impetus for a tougher party line can probably be ascribed to instructions given PCI representatives at the recent Soviet 21st party congress in Moscow. Although reports differ on the nature of the Soviet reception given the delegation headed by party chief Togliatti, the Italians apparently undertook to satisfy criticisms of PCI shortcomings by promising to become more active at home.

A crisis over Berlin would enable the PCI to exploit neutralist feelings in a sizable sector of the Italian public. The Segni government, however, is not likely to countenance any public disturbances whipped up by the Communists over the Berlin issue. [redacted]

25X1

Khrushchev told the Italians he intended to turn over Soviet authority in Berlin to East Germany and that there would be war if the West tried to resist.

25X6

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

BRITISH DEFENSE POLICY

The Macmillan government's progress report on its five-year defense program, outlined in a white paper on 10 February, indicates that the development of an independent nuclear capability will be continued but that increased attention is being paid to strengthening conventional military forces within the confines of a tightly drawn budget. The anticipated expenditure of \$4.205 billion, about 6 percent over last year, will remain about 7 percent of Britain's estimated gross national product--the third highest percentage of all NATO members, after the United States and France. Rising costs account for most of the increase.

Principal interest centers on the government's decision to concentrate on the Blue Streak liquid-fueled intermediate-range missile, to be fired from underground launching sites, as the successor to the American Thor now being delivered. Defense Minister Sandys' candid admission in the parliamentary debate on 25 and 26 February that Britain could not afford an assortment of rockets--as demanded by some of his critics--reflects the government's feeling that, in view of budget limitations, it must concentrate on the single most promising weapon.

Although no significant shifts in Britain's thinly spread conventional forces are indicated immediately, the Cyprus settlement, reached two weeks after publication of the white paper, will eventually free some 20,000 troops for duty elsewhere. Five battalions are scheduled to leave by 31 May.

The prospect of further forces, made possible by increased enlistments, resulted in raising the army manpower ceiling for 1962 from 165,000 to 180,000. Recruiting for the regular army is going so well that conscription will end next year as planned. Nevertheless, the higher figure is a reduction of 171,000 from the present army ceiling of 351,000. Continuing strains on manpower resources are indicated by a report that the War Office is considering a proposal to reduce the 55,000 troops in Germany to 45,000 after this year.

Opposition criticism has charged that the white paper offers neither a new policy nor a particularly effective defense of the old one. In what will probably be an election year, however, neither the government nor the Labor party evidently cares to propose any startling policy changes. 25X1

MUNICIPAL ELECTIONS IN FRANCE AND ALGERIA

Local elections scheduled for 8 and 15 March in France will provide the first firm indication of public reaction to De Gaulle's austerity program. Similar elections in Algeria in April, to be held under a new decree guaranteeing Moslems a majority of seats, will be a major effort by Paris to win Moslem mass support.

In France, some 466,000 local councilors, who form the bulk of the senatorial electoral college, will be elected in 38,000 "communes." Normally concerned with "village pump" issues, the elections this year will center on the political and economic programs instituted by De Gaulle and Premier Debré. All national parties will be

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

out to demonstrate their "grass-roots" strength.

The Communist party (PCF), which dropped 1,500,000 usually "safe" votes in November, has recently picked up support in by-elections and is calling for a united effort with the non-Communist left and center. The Socialists and possibly the fragmented Radicals and other center groups may be less willing to ally with the right against the PCF in the run-off ballot if, as in November, this tactic benefits the right.

The right is also favored by a recent change in the electoral law, which restricts proportional representation to larger cities. The Independents and the New Republic Union (UNR), which achieved dominance in the National Assembly on the strength of De Gaulle's prestige, will probably present many joint

candidacies. The UNR wants to deal a body blow to the PCF by ousting thousands of Communists from local offices.

In Algeria, Paris is offering the Moslems majority control of local administrations, although European settlers are guaranteed minimum representation even when they are few in number. Lists are to be based on ethnic divisions, and Moslems outnumber Europeans in all but four communities. Moslems will fill the bulk of 15,000 municipal council seats in some 1,500 communities; De Gaulle has incorporated Moslem suburbs into Algiers to assure the Moslems a majority there. Short of a cease-fire and rebel tolerance, however, the elections in Algeria may prove a setback to Paris by demonstrating that the French have not won the confidence of the Moslems.

25X1

MOROCCO

Moroccan King Mohamed V now may abandon his past ostensible aloofness from party politics and attempt to exert a more direct influence over domestic affairs. He apparently considers his recently concluded 12-day "sentimental pilgrimage" to Corsica and Madagascar, where he was imprisoned by France for more than two years, a pointed reminder to Morocco's ruling Istiqlal party of the sacrifices he made for independence. The large crowds which marked the King's triumphal return to Rabat on 2 March, the third anniversary of the agreement by which France recognized Morocco's independence, suggest his strategy was effective.

The outcome of the continuing struggle between the left and conservative wings of the Istiqlal party is still uncertain. Allal el-Fassi, the party's traditional head who ex-

pelled left-wing ringleaders last month, is confident his faction has won out. Fassi supporters are reported to have made some gains among labor groups and are setting up a new labor federation rivaling the left-wing Moroccan Union of Labor.

Abdelkhalek Torres, who headed the former Islah party which amalgamated with Istiqlal in 1956, plans to resign as Moroccan ambassador to Cairo and to resume political activity. Having publicly declared his support for El-Fassi, he may be delegated to shore up the conservatives' following in northern Morocco, where anti-Istiqlal activity has been greatest. Should he fail, he probably would reactivate Islah, thus fragmenting Istiqlal and providing a nucleus to attract followers from several smaller Moroccan parties.

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

The Istiqlal left wing apparently still has the active sympathy if not the outright support of Premier Ibrahim and Vice Premier Bouabid. While it failed to gain control of party machinery, the left wing has registered as a political party and appears to have retained considerable strength in Casablanca, Marrakech, and Oujda. It still controls most organized labor and probably most youth and student groups.

Tribal disorders, which grew out of anti-Istiqlal agitation, appear to have subsided. The armed tribesmen who took refuge in the mountains may cause further difficulties, however. The Popular Movement--the arrest of whose leaders last fall precipitated the tribal outbursts--is reported to have made rapid strides toward building an effective organization and might pose a real challenge to the divided Istiqlal.

25X1

GUINEA EXPANDING SOVIET BLOC TIES

Guinea appears to be responding to the Soviet bloc's campaign to establish diplomatic, economic, and cultural relations with independent states of West Africa. At the same time President Sekou Touré has professed a desire to retain close ties with the West.

Moscow, Peiping, and most other Communist regimes recognized Guinea immediately after it became independent last October. Within a few weeks, Touré's government signed a trade and cultural accord with an East German delegation which came to Conakry. This was followed by a "general protocol" with Czechoslovakia envisaging trade relations and "economic and scientific technical cooperation"--terminology which has in the past sometimes involved the extension of bloc credits.

In December, Touré received a special two-man Soviet mission, while one of his officials announced Guinea's readiness to conclude a trade agreement and exchange diplomatic representatives with Bulgaria. A month later a Bulgarian diplomat took up residence in Conakry.

More recently Guinea has played host to a commercial delegation from Poland, and signed a formal trade-and-payments arrangement with the USSR. This sets forth the volume of specific goods to be exchanged between the two countries--a primary Soviet objective in such negotiations. Together with the other commercial deals with bloc countries, this agreement may direct a major portion of Guinea's export trade to the bloc.

A Guinea delegation, including leftist Interior Minister Keita, was accorded "red-carpet" treatment in East Germany, Czechoslovakia, Poland, Hungary, and Rumania during February. In East Berlin, the visiting Africans discussed implementation of the existing trade and cultural accord and were promised a new radio transmitter as a gift. In Prague, Warsaw, and Budapest, they apparently agreed to an early exchange of diplomatic representatives and also to the establishment in Conakry of permanent Czech and Polish trade missions.

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

PREVIEW OF POLISH PARTY CONGRESS

Polish party First Secretary Gomulka will probably use the third party congress, which opens in Warsaw on 10 March, to demonstrate that he is stronger than at any time since his return to power in October 1956. The congress is expected to ratify Gomulka's program and elect a central committee composed largely of his adherents. No spectacular policy shifts are anticipated, and the congress will probably concentrate on economic and cultural matters.

Incomplete control over the party apparatus had forced Gomulka to postpone holding the congress. For some time Gomulka has been quietly eliminating Stalinist party functionaries, however, and replacing them with men loyal to him. This process is likely to be accelerated following the congress. The politburo to be elected by the new central committee is expected to include several new pro-Gomulka members. Party Secretary Zenon Kliszko--one of Gomulka's few confidants--is virtually certain to be given politburo rank.

Khrushchev reportedly will attend the congress, and Gomulka will undoubtedly reiterate Poland's solidarity with the Communist bloc. There will probably be resolutions endorsing Soviet proposals for the solution of the German problem and the Rapacki Plan for a nuclear-free zone in Europe. On

internal matters, however, it is clear that Gomulka has resisted Soviet pressure and refuses to compromise on the basic aspects of policy which make Poland unique among the satellites.

Although the power of the Stalinist Natolin group has been dwindling steadily, there are reports that the group is planning a desperate, last-ditch assault on the first secretary at the congress. This attack would be directed at Gomulka's relatively liberal and realistic economic policies and at his friendly relations with the West--particularly the trade and cultural relations with the United States. Gomulka's strength will prove adequate to quell any factional uprising, however.

Economic accomplishments of the Gomulka regime will be hailed by the congress. The Five-Year and Fifteen-Year Plans, which probably will be discussed thoroughly, are unique in the Communist world. They envisage a moderate annual rate of growth--5.2 percent for national income, 6.2 percent for industrial production, and 2.7 percent for agriculture--and give consideration to consumer needs. The plans' realism has caused dissatisfaction on the part of some "dogmatists," who advocate a much faster growth. The congress will urge workers to increase productivity, holding out the eventual goal of higher living standards as a reward.

25X1

ARABS REACT TO CONTINUING JEWISH EMIGRATION FROM RUMANIA

The exodus of Jews from Rumania to Israel was continuing in late February despite denials by the Rumanian Government and the Soviet press that

"large-scale" emigration had occurred or would be tolerated. The American Legation in Bucharest reported on 24 February that 200 to 300 Jewish emigrants were

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

receiving Israeli visas daily, and on 26 February the US Embassy in Athens said that approximately 10,000 Rumanian Jews had been given visas but had not yet departed; this is in addition to some 17,000 who have left since last May.

Bucharest proposed early in February that the number of Austrian processing personnel in Vienna be increased, and it offered to pay the additional cost

The Israeli airline on 25 February began a two-plane-a-day airlift from Vienna to Israel, expecting to fly about 180 people a day for about a week.

The press and radio of the Arab countries, particularly the UAR, have responded sharply, characterizing the emigration as an "unfriendly act." Strong press criticism of Rumania was followed by an official UAR protest to Bucharest in early February. In reply to these protests, the Rumanian regime broadcast a statement on 25 February which provided no indication that the exodus would be halted, but which charged that the Western press and the Zionists were conspiring to distort Rumania's "humanitarian"

motives in permitting Jews to join their families. The statement added that "certain press organs and even official personages" in Arab nations let themselves be duped by these machinations.

On 1 March a Cairo newspaper carried a statement attributed to a senior source at the Arab League secretariat, who was quoted as saying the "Rumanian Government statement amounts to an admission of and full support for the Jewish emigration." The secretary general of the Arab League has stressed to American officials that the significant point was that if emigration were allowed from Rumania, the Soviet Union could then do likewise.

Khrushchev assured Egyptian President Nasir on 20 February that Soviet Jews would not be permitted to emigrate, but the Arab press and radio have not accepted this assurance. One influential UAR newspaper, apparently feeling that this statement was a cover for Soviet inaction on the question, said on 27 February that "the Soviet Union should also take a firm attitude and intervene with Warsaw pact states" to prevent the emigration.

The Arab League Council meetings which began in Cairo on 2 March were to discuss plans to counter emigration to Israel.

PEIPING MODIFIES "GIANT LEAP" PROGRAM

Although Peiping has not retracted any of last year's extravagant output claims or modified the highly ambitious goals for 1959, it is making certain alterations in its "giant leap" forward program. Following the recent realign-

ment of rural labor priorities in favor of a greater concentration on basic farming tasks, there have been an increasing number of references to the fact that China is still a poor, backward country with limited resources which faces years of "bitter struggle."

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

In marked contrast to the theme advanced last year that China "can do anything," Peiping now is arguing that it is necessary to concentrate available manpower, materials, and capital on the most urgent construction projects and the most important production targets. To do this, Peiping acknowledges, some less important, secondary things must be neglected for the present. The primacy of the state plan is being sharply reasserted, after a year in which the economy operated with little reference to it.

This year, the construction program will be even greater than last. Priority for key large projects is to be ensured, but Peiping will continue its program for building medium- and small-size industries. The head of a national capital construction commission has urged the building of "great numbers" of such enterprises. Peiping is, however, dropping the less efficient local plants which sprang up last year--particularly in the iron and steel drive--and is limiting the construction of new ones to those near raw materials, fuels, and consumers.

The process of backing away from some of the extreme aspects of the "leap" began late last year, when it became apparent that the program was causing

dislocations and imbalances in the economy. For example, the demands of the iron and steel drive on rural labor were such that crops were harvested late or not at all. The transportation system could not meet all the demands put on it. Distribution between city and countryside broke down, leaving the cities short of food. More pig iron was produced than could be made into steel, and more steel was produced than could be put into usable shapes. Shortages of industrial materials hampered production in a number of cases, and the population was badly overworked.

Peiping evidently feels these dislocations are not serious enough to require a cutback in the output targets proposed by the party last December. No responsible official has deviated from these exaggerated goals, and the regime still maintains that they were set only after the "objective possibilities" had been "fully evaluated." They are, Peiping recognizes, extremely difficult goals which will need the unstinting support of the Chinese worker. Hence, Peiping says, the masses should not be restricted in their enthusiasm, but urged onward, "like an advancing wave, through the use of attractive and encouraging slogans." (Prepared by ORR) 25X1

CAMBODIA

The exposé of the Dap Chhuon plot in Cambodia is working against free world interests and has enhanced Communist bloc influence in the country. In a series of statements, highlighted by a "major presentation" on 26 February before the diplomatic corps assembled at Chhuon's former headquarters in Siem Reap, Premier Sihanouk outlined Vietnamese and Thai

involvement in the plotting against him. He attributed the ability of these countries to engage in such clandestine activity to generous American aid but thus far has refrained from direct public criticism of the United States.

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

25X1

Saigon government so far has limited its response to an official denial of involvement in Cambodian internal affairs. Vietnam's replacement of its discredited representative in Phnom Penh, Ngo Trong Hieu, may relieve the situation temporarily, but chances for rapport between the two countries are virtually nil as long as Sihanouk remains in power.

25X1

Sihanouk apparently is preparing for a possible outbreak of dissidence in outlying provinces fomented by irregular Cambodian bands allegedly coming from Thailand and South Vietnam. The government has announced, however, that Dap Chhuon was killed on 3 March by royal troops who intercepted him while he was attempting to reach the Thai frontier northwest of Siem Reap.

Sihanouk's continuing charges are exacerbating Cambodian-Vietnamese relations. The

SITUATION IN LAOS

Laotian Prime Minister Phoui has aligned himself with old-guard politicians against the reformists in Laotian politics--the Committee for the Defense of National Interests (CDNI), the army, and the crown prince. This dispute is seriously impeding implementation of a reform program to undercut the Communists' appeal before the next general elections probably in 1960. If no compromise is reached, Phoui will probably be forced to resign and thus pave the way for an army takeover.

Anti-American themes are being interjected into the conflict. The conservative politicians of the Rally of the Lao People (RLP) are attempting to discredit the CDNI by characterizing it as "American dominated." These charges are indicative of the mounting frustration within the old guard over reverses since last August.

Preoccupation with political jockeying may divert attention from pressing problems such as reorganization of the army, possible negotiation of the border dispute with North Vietnam under United Nations auspices, the present insolvent condition of the royal treasury, and the government's budgetary deficit. Externally, the North Vietnamese are pressing the co-chairmen of the 1954 Geneva talks to revive the International Control Commission for Laos on grounds that the country is being turned into a United States military base.

Laos has retreated from its position that France terminate its military training mission and has requested that France provide increased training aid. France has agreed to furnish an additional 80 officers and noncommissioned officers and will allow the Laotian Army to use the French-controlled base at Seno as a training center.

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

BURMA

Burma's Parliament on 27 February redesignated General Ne Win as prime minister after passing by an overwhelming majority a constitutional amendment temporarily lifting the six-month limit on the term of any prime minister who is not a member of Parliament. Only the Communists, who face the prospect of continued army repression, voted against the amendment. Ne Win and the armed forces are thus given another full year of direct control over the government. They are likely to maintain at least indirect surveillance over any civilian government they permit to succeed Ne Win after the regularly scheduled parliamentary elections in 1960.

The military regime is riding the crest of a popularity wave because of the dramatic, if somewhat superficial, improvements it has made to date in the conduct of governmental affairs. Whether it will be as successful and continue to enjoy such a wide measure of popular acceptance in tackling some of Burma's more fundamental problems, such as insurgency and economic development, remains to be seen. As the military continues its domination of the political scene, it will probably have to contend with growing resentment on the part of displaced civilian political elements.

25X1

ANTI-AMERICAN RIOTING IN BOLIVIA

The anti-American rioting in Bolivia, sparked by a controversial article in Time magazine, reflects basic tensions arising from growing nationalism and an acute financial crisis. Bolivian-US relations, good in recent years, have deteriorated somewhat over the past six months in part because of disagreement over implementation of the US-backed stabilization program and in part because of a Communist-inspired campaign to persuade Bolivians that the United States wants to destroy their national oil company.

The economic stabilization program inaugurated with US assistance in December 1956 has been effective in reducing inflation, but has not yet solved Bolivia's complex problem of increasing production and finding a means of offsetting declining earnings from minerals through oil development. The country's foreign exchange position came to minus \$1,600,000 in late Feb-

ruary. Recent US insistence that the stabilization program required the unfreezing of prices charged by tin mine commissaries created some tension in US-Bolivian relations, since the Siles administration has frequently depended on certain units of the miners' militia as its most reliable armed support.

The state petroleum company, YPFB, during the past year has unsuccessfully sought funds to finance expansion of its operations. The Bolivian Communists, numbering about 5,000, have taken advantage of this failure to mount a strong propaganda campaign in "defense" of the YPFB, thus helping to crystallize anti-US sentiment among right- and left-wing elements.

The most effective device to date has been a well-prepared book on the oil problem which purports to show that US economic aid to Bolivia is being

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

used to ruin YPFB in order to secure a monopoly for private companies. The Communists suggest that the private companies, which have not yet found oil, may delay getting into production until world petroleum supplies are short. This thesis has gained the Communists allies among the nationalist opposition and has appeared widely in the press.

Although tensions in US-Bolivian relations have been reflected in rioting in key provincial cities as well as in La Paz, Bolivian President Siles is basically friendly to the United States, and his speech of 3 March promising a plan for supporting the nation by its own resources may serve to restore his moderate leadership. [REDACTED]

25X1

25X1

PRESIDENT LEMUS OF EL SALVADOR

President Jose Maria Lemus, who is scheduled to arrive in Washington on 10 March, will be the first chief executive of El Salvador to make an official visit to the United States. Since his inauguration in September 1956 for a six-year term, he has headed a stable, moderately progressive, and cautiously democratic government.

[REDACTED]

sincere efforts to strengthen political democracy appear to have earned him wide popularity. To remain long in power, however, any government must not offend the powerful conservative "coffee barons," who have



long dominated El Salvador's political and economic life and still maintain a disproportionate influence. At the same time it must attempt at least partially to satisfy the emerging labor and liberal elements, especially in urban areas.

There are some indications that these elements may shortly

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

give Lemus increased political difficulties. Former President Osorio and some conservative military and political leaders apparently view with misgivings certain of Lemus' liberal policies. They fear that the government's means of political control have been dangerously weakened because Lemus is allowing political exiles to re-

turn and is permitting organized labor increased freedom.

At the same time, leftists, impatient for broader and quicker political and labor reforms, are becoming increasingly restive, and there are indications that the small but very active Communist element is exploiting these dissatisfactions.

25X1

THE SITUATION IN HAITI

The continuing serious deterioration of Haiti's internal situation, even with the \$6,000,000 US loan announced in late February, has placed the Duvalier regime in as weak a position as any since it assumed power in October 1957. Concurrently there has been increased activity in the past of exiled political leaders. US Ambassador Drew reports that US officials in Haiti, other diplomats in the country, and the "overwhelming majority of Haitians in all walks of life" all agree that Duvalier's prospects for remaining in office are extremely poor.

Haiti's precarious economic and financial position has been aggravated by a poor coffee crop and low prices on the world coffee market, as well as by a considerable drop in tourist trade because of the political instability since the fall of the Magloire regime in December 1956. The decline in business and commerce has caused dissatisfaction within influential merchant and professional circles. Government workers, never adequately paid, have been subjected to salary cuts, irregular pay schedules, and "voluntary" contributions to the government.

Duvalier's harsh repression of opposition elements, arbitrary dismissal of army of-

ficers, and exploitation of class and racial hatreds have alienated many groups, including some of his own supporters, and have kept tension high. His "friendship pact" with Dominican dictator Trujillo last December, the presence of Dominican naval and air patrols in Haitian territory, and the possibility that the Dominican Republic might intervene militarily in the event of an uprising in Haiti have also caused widespread apprehension. Duvalier, however, has demonstrated a remarkable ability for surviving under adverse circumstances, principally by maneuvering his secret police into a position of dominance over the politically unreliable armed forces.

The alliance of Haitian exiles Daniel Fignolé and Louis Dejoie with Clement Jumelle, an opposition politician now in hiding in Haiti, and the possibility that the revolutionary government in Cuba may aid an invasion, have united the divergent opposition groups in Haiti. Fignolé's radio appeal on 21 February for a general strike at an unspecified date apparently encouraged the opposition in Port-au-Prince. An invasion attempt could touch off a popular uprising and provoke the armed forces into open rebellion against the President. Duvalier has publicly suggested that the United States assume responsibility for keeping peace in the Caribbean.

25X1

SECRET

Next 2 Page(s) In Document Exempt

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

THE SITUATION IN SINGAPORE

The Communist-infiltrated People's Action party (PAP), the strongest political organization in Singapore, has begun a concerted campaign to gain control of the government following general elections now planned for 30 May. While the party apparently is not Communist-controlled at this time, leftist extremists are deeply entrenched in its branch organizations, and Communist prospects for taking over the leadership of the party will be enhanced if the PAP forms the next Singapore government.

The constitution, which creates a partially self-governing State of Singapore, becomes effective on the first Monday following the elections. Regardless of the election outcome, Singapore appears to have only a slender chance of becoming an economically viable and politically stable area.

Singapore People's Alliance

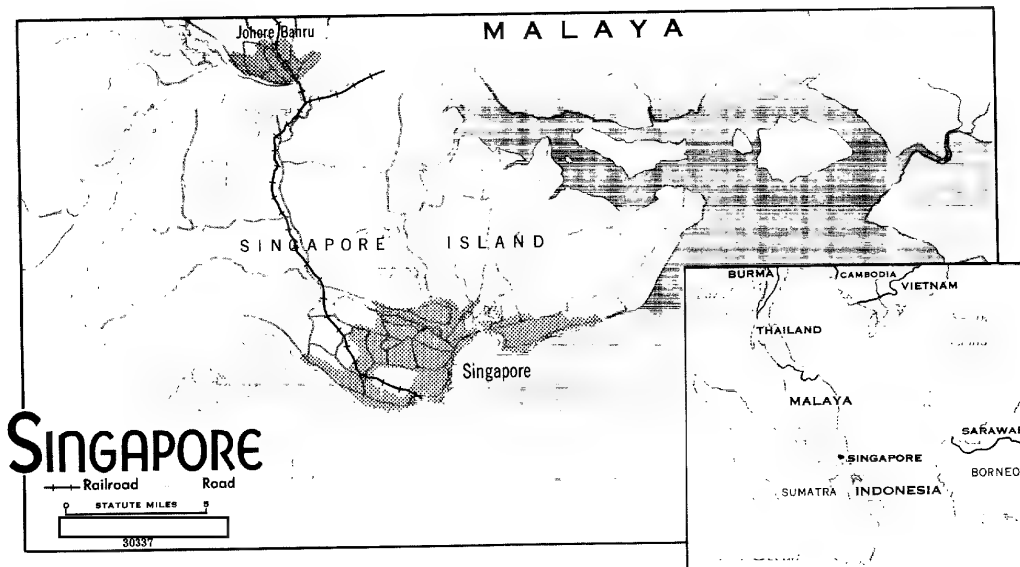
Chief Minister Lim Yew Hock's long campaign to unite the moderates in Singapore has made only modest progress dur-

ing the past few months. In November Lim announced the formation of the Singapore People's Alliance (SPA), composed of the strongest elements in the Liberal



LIM YEW HOCK

Socialist and Labor Front parties, as well as the moderate wing of the Workers' party. The SPA and the Singapore branches of the Malayan Chinese Association (MCA) and the United Malay National Organization (UMNO) tentatively agreed not to oppose each other's candidates in the

**SECRET**

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

forthcoming elections. Negotiations are apparently under way for a similar agreement with the rump Liberal Socialist organization.

Despite these signs of progress, however, the major weakness of the SPA--the lack of an effective organizational structure--is unlikely to be remedied before the election. Lim has never been inclined to develop a grass-roots organization, and time is running short. An SPA party functionary recently told an American official that the party intends to set up only working committees, not branch organizations, in districts to be contested. Because of its lack of organization, the SPA will probably be unable to win enough seats to form the next Singapore government.

People's Action Party

The People's Action party, on the other hand, formed in late 1954 by a group of young anti-British intellectuals, most of whom were educated in the United Kingdom, is well organized. It gained momentum rapidly and elected candidates in three of the four districts it contested in the 1955 general elections. The fact that two of the original four candidates are almost certainly Communists reflects the strong leftist influence in the party from its inception. However, a series of government arrests has allowed the less extreme wing of the party, headed by Secretary General Lee Kuan Yew, to retain control of the central executive committee. The PAP has successfully infiltrated and controlled student and labor groups and developed a great deal of support among Chinese voters.

Recently the PAP has espoused a moderate line which on the surface appears to differ very little from the present program of the Lim Yew Hock government. This line has

caused some confusion among far left-wing elements in Singapore, both in and out of the PAP, and probably is a factor in present extremist efforts to create a new organization, the Citizen's party. This party, however, is unlikely to make serious inroads into PAP strength. It may well follow the pattern established by the Workers' party in the 1957 city council election and not compete in districts where the PAP has candidates. The extremists can hardly afford to split the party when it appears on the verge of an election victory which would enhance Communist prospects for taking it over.

A PAP election victory would put the leftists, on whom the party depends heavily for support, in an excellent position to set aside stringent public security ordinances and to demand the release of jailed left-wing colleagues. The pro-Communists might then take over the party's central executive committee as they did for a short time in 1957.

The Constitution

The constitution creating the new State of Singapore,



LEE KUAN YEW

which will probably come into force on 1 June, falls short of full internal self-government and leaves the British in complete control of external defense and foreign affairs and

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

with a strong voice in problems of internal security. The British also have the ultimate right to amend or revoke the constitution, although the political situation in Singapore could develop in such a way that these moves might be extremely difficult to take.

to internal affairs or affects UK responsibilities. When a council decision is made, it will be the responsibility of the Singapore Government "to give immediate effect to that decision."

The British retain full rights to the "control and use" of all military installations in Singapore. An important factor in British determination to make the constitution successful is London's desire to maintain these bases for at least ten years.

Despite these carefully considered safeguards, the political situation could develop in such a way as to make the British position in Singapore increasingly untenable. If the PAP should form the government and become Communist-dominated, the British would probably find their authority steadily eroding and the smooth implementation of the constitution nearly impossible. The extremists would not be likely, however, to provide the British with a clear-cut excuse for suspending the constitution.

The Economy

Singapore is likely to be faced with critical economic problems as a result of its growing isolation from the Federation of Malaya and unemployment aggravated by a large population growth. The population jumped from 1,167,600 to well over 1,500,000 in four and one-half years and continues to grow at the rate of nearly 4 percent a year--one of the highest rates in the world.

The prospect for the creation of sufficient new industry to absorb the rapidly growing labor force is bleak because of the relatively high cost of labor and the unsettled political situation. At the same time, the traditional mainstay of the economy--the entrepot trade--is unlikely to expand significantly in the face of growing Indonesian and Malayan efforts to bypass Singapore and increase direct trade.

The constitution provides for an elected 51-member legislative assembly which will have a maximum life of five years. For the first six months after the new government is formed, the chief of state will be the United Kingdom high commissioner. Thereafter, the state must be headed by a person "born in Malaya" who will be appointed by the Queen after consultation with the Singapore Government. The real executive power in the government will be held by the prime minister, who must command the confidence of a majority of the assembly.

The judiciary will eventually come under the control of local authorities. However, the English chief justice will serve for more than a year after the constitution comes into effect. In trade and cultural relations the Singapore Government is expected to have considerable freedom.

The British have built several safeguards into the constitution which have the effect of limiting Singapore's internal autonomy, especially in the vital field of internal security. A seven-man Internal Security Council, made up of three representatives from the United Kingdom, three from Singapore, and one from the Federation of Malaya, is to be the supreme authority on internal security. It will have broad powers to determine whether an issue relates solely

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

YUGOSLAVIA'S INTERNATIONAL POSITION

Yugoslavia's international position continues in large part to be a reflection of Tito's adamant insistence that Belgrade pursue its own "road to socialism." Yugoslavia both benefits and suffers as a result, but it is playing an international role far greater than it would otherwise warrant. Unremitting attacks from the East are a constant reminder of the potential threat from that direction, and Yugoslavia's refusal to move closer to its Western suitors adds to its isolation. At the same time, these factors have been the prime movers in Belgrade's policy of active coexistence with all states regardless of their social order--particularly those states which, like Yugoslavia, are committed neither to the East nor the West.

Party Relations

The Yugoslav party's relations with the Eastern parties have deteriorated steadily since the 12-nation Moscow declaration of November 1957. For tactical reasons Moscow has played its dispute with Tito first hot and then cold, but at present there are fewer Yugoslav ties with the East than when the dispute broke into the open at the seventh Yugoslav party congress in April 1958. Furthermore, there is little reason to believe that an important reversal in this situation is likely as long as Tito and Khrushchev remain in power.

Tito's refusal to acknowledge the leading role of the Soviet Communist party continues as the underlying cause of the dispute. The Yugoslav party has been read out of the "Communist camp." Nevertheless, to Moscow's irritation, Belgrade insists that Marxism-Leninism is being correctly interpreted in Yugoslavia. Any doubt among orthodox Com-

munists as to Yugoslavia's position in the Kremlin's eyes was removed by Moscow's omission of the Yugoslavs from the list of those invited to the recent Soviet 21st party congress.

Government Relations

Yugoslavia's party difficulties have clearly overflowed into its state relations with each member of the Sino-Soviet bloc. While the protagonists in the dispute had earlier declared their intention to prevent this--and to a degree were successful--the ideological dispute has made state relations progressively more strained.

The Yugoslavs are concerned over this. Despite the apparent-



ly sincere feeling that they can ultimately best the USSR in any ideological debate, they are realistic enough to admit that they are bound to come out second best in a dispute on the state level. It now is clear that Moscow has abandoned its policy of refraining from attacking Tito's domestic policy. While Belgrade is portraying

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

this new development as flagrant interference in Yugoslavia's internal affairs, it has also indicated that it will no longer be as hesitant to retaliate in kind.

Belgrade has virtually suspended diplomatic relations with Peiping. Only with Poland is there any semblance of rapport. The Yugoslavs have recently sent a strong note to Tirana protesting harassment of the Yugoslav Legation there and have announced that several Albanians have been sentenced for spying.

The Yugoslavs seem to feel the risk of a break in diplomatic relations is outweighed by the need to show the bloc that they will no longer remain passive. Belgrade's revelation of recent trials for satellite spying activities within Yugoslavia represents a significant change in policy. As recently as January the Yugoslavs canceled impending "Cominformist" trials, presumably to avert a further intensification of Moscow's irritation.

Moscow, aware that on most nonbloc international issues Belgrade's views parallel those of the USSR more closely than they do the West's, still sees a need for maintaining limited ties. Khrushchev declared at the 21st party congress that Moscow was very interested in cooperating with Belgrade in those areas where their foreign policies coincide.

Economic Relations

The strain in relations has become most apparent in economic affairs. Although the Yugoslav economy is far stronger than it was immediately after the 1948 break, the Sino-Soviet bloc's present harassments--delivery slowdowns, last-minute delays in concluding contracts, and occasional cancellations--have weakened Yugoslavia's economic position.

Trade takes place only when it is advantageous to the members of the bloc, and during the past year the bloc has not found it advantageous to accept Yugoslav exports in the amounts scheduled. Yugoslav producers rely on East European markets because Yugoslav products cannot generally compete in Western markets.

To continue the gains made during the past few years in closing the gap between its exports and imports, Yugoslavia must find alternative markets such as Asia and Africa for its products. This is a difficult problem, because the bloc also has been attempting to penetrate these areas, largely through below-cost bidding. Yugoslav concern over the threatened extensive loss of bloc markets was clearly reflected in Tito's recent efforts during his tour to increase trade with the uncommitted states.

Moscow apparently will not attempt an economic blockade of Yugoslavia, since this would cause too much adverse reaction. Considerable sympathy for the Yugoslav cause developed in Asia and Africa as a result of Soviet cancellation last summer of credits promised Yugoslavia, and the voluminous Soviet propaganda in explanation was ineffectual.

All the Sino-Soviet bloc countries have concluded trade agreements with Yugoslavia for 1959, except Rumania and China--which are still negotiating with Belgrade. With the exception of the recent Yugoslav-Soviet trade agreement, where a 20-percent cutback reduced exchange to the lowest level since 1956, trade with the bloc is scheduled to increase in 1959. Yugoslav fears that actual trade will fall below that scheduled are probably well founded, however.

Status in Uncommitted World

Tito's recent tour of Asia and Africa was motivated

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

by a desire to prove to the Sino-Soviet bloc that it had not succeeded in isolating him, as well as to effect closer ties with the uncommitted world. Undoubtedly, he now hopes the success he has achieved on his trip will persuade Moscow that any contemplated stronger measures against the Yugoslav Government would run counter to bloc interests.

Tito's popularity among the uncommitted states is probably at its highest since he was expelled from the Cominform in 1948. Relying on the force of his personality, Tito sought and received a general endorsement of his views wherever he went. His reception, both popular and official, suggests that the peoples of the uncommitted world are for the most part sympathetic to him in his struggle with the bloc.

The bloc has attempted to ridicule the Yugoslav policy of nonalignment by alleging that Tito in reality seeks to form a bloc of the uncommitted nations. His activities among the uncommitted states, however, suggest he is satisfied with a series of bilateral arrangements establishing rapport between the signatories. Yugoslavia seems genuinely interested in the United Nations as the forum where the views of the uncommitted states can be expressed most beneficially. Belgrade has long held that any formal grouping of states soon comes under the influence and control of its strongest member, and it is well aware that, although it is on friendly terms with much of Asia and Africa, it is still regarded as a Communist state.

The expansion of economic ties agreed to by Tito and his hosts could serve to dissipate much of Yugoslavia's concern over a reduction in bloc trade. In general, the uncommitted nations of Africa and Asia seem to like to do business with Yugoslavia. The long-term

nature of economic relations anticipated in the communiqués recently signed by Tito suggests he hopes to cement Yugoslav ties with the uncommitted world further through trade.

Relations With West

Sino-Soviet bloc charges that the Yugoslav leaders are agents of Western "imperialists" have probably been partially responsible for Belgrade's hesitancy to initiate new ties with the West. Nevertheless, Yugoslavia's stubborn refusal to compromise its position in the face of Soviet pressure has considerably elevated its status with the West.

Although the Yugoslavs are not actively supporting Western policies, sympathy for the West's position is apparently increasing. Yugoslav propaganda defined the steps toward a Cyprus accord as positive--a contradictory position to the bloc line on this question. It will be highly significant if Belgrade continues to follow a line which is so opposed to Moscow's.

Yugoslav economic ties with the West have been strengthened in the past year. England has recently reacted positively to a Yugoslav request for credits, aid from the United States is continuing at a high level, and the French have indicated a more active interest in this area.

Despite the diplomatic break of October 1957 between West Germany and Yugoslavia as a result of Belgrade's recognition of East Germany, Yugoslav economic relations with Bonn have flourished. Belgrade has indicated strong hopes on several occasions that Bonn would reconsider its decision, and, undoubtedly out of deference to Bonn, Belgrade has not raised the level of its diplomatic representative in East Germany beyond the level of minister. Yugoslavia does not intend to break off relations with East Germany, however.

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

5 March 1959

Possible Changes

Other signs suggest a change in Yugoslav policy toward the West. Publicly, Belgrade has supported as positive recent Soviet proposals on the German problem. Privately, however, it has declared without elaboration that it does not agree with the Soviet position. During the latter part of the post-Stalin rapprochement with Moscow, and even as late as last fall, the Yugoslavs seldom indicated their differences with the USSR to the West; more often they attempted to explain the Soviet position. Until Tito's trip to Moscow in mid-1956, however, it was common practice for the Yugoslavs to discuss opinions on Soviet developments with Western officials, and it is possible that Belgrade may be returning to this position.

The Balkan Pact has long been Belgrade's indirect link to NATO. Khrushchev recently used Yugoslav membership in this alliance to attempt to deride Tito's policy of non-alignment. The Soviet Union had not reacted strongly on this issue in the past, for in addition to Tito's playing down the military aspects during his rapprochement with Moscow, Turkish-Greek differences had kept the pact relatively inoperative.

In view of the settlement of the Cyprus dispute the Greeks will probably seek to strengthen the organization. A positive Yugoslav reaction to any Greek initiative would further reveal Belgrade's intentions regarding a rapprochement with the West. While publicly disclaiming any desire to strengthen the military aspects of the pact, Yugoslavia has quietly expanded military ties with Athens. What few military activities were undertaken last year by the Balkan Pact's secretariat have been on Yugoslav initiative.

While it is still too early to determine the extent to which Belgrade will move toward the West, the Yugoslavs now are more disposed to keep the door open. Belgrade now is thoroughly committed to promoting "non-alignment" with blocs and to improving relations with the uncommitted states. A further impediment to closer relations is Tito's belief that additional ties are unnecessary if those already existing are utilized.

Belgrade has grown increasingly concerned over Moscow's extension of its anti-Yugoslav campaign. The success of Tito's recent trip, the readiness displayed in the West to assist him economically, and the knowledge that he enjoys considerable sympathy throughout the non-Communist world may be sufficient, however, to cause Belgrade to believe that it is well enough fortified to withstand additional Sino-Soviet bloc pressures.

Tito and Possible Successors

Yugoslavia's international relations and world position are particularly related to the personality of its leader. Tito has been primarily responsible for Yugoslavia's success in playing a significant role in world affairs. Through his own personal contacts, he has developed much respect for his country, and he has not hesitated to inject Yugoslavia in some way into virtually every international issue.

On his death, the leadership of the country almost certainly will be vested in the hands of his two top lieutenants, Edvard Kardelj and Aleksandar Rankovic. While neither of these men possess the qualities of Tito, there is no indication that significant state and party policy changes would be likely to occur immediately.

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

5 March 1959

SOVIET BIOLOGICAL WARFARE DEVELOPMENTS

25X1

The USSR continues an intensive research and development program in its quest to obtain an offensive capability in biological warfare. The research program under way has met with certain successes, and the USSR now has a limited offensive capability.

25X1

25X1

SECRET

Next 1 Page(s) In Document Exempt

~~SECRET~~

CONFIDENTIAL

CONFIDENTIAL

~~SECRET~~